

Entrepreneurship Skills

INTRODUCTION

Entrepreneurs identify an innovation to seize an opportunity, mobilise funds, raise capitals and take calculated risks to open market or new business for products, processes and services.

Entrepreneurship development refers to the process of enhancing entrepreneurial skills and knowledge through structured training and institution building programmes. It focusses on an individual, who wishes to start or expand a business. Promising entrepreneurs need to be nurtured and helped to serve as role models and mentors for their communities. An entrepreneurship development programme must be designed in a way so as to help aspiring entrepreneurs recognise and design unique and innovative business opportunities based on an analysis of local conditions and their own skills.

Business opportunity surveys may provide advice to entrepreneurs but they must be analysed in the context of specific market situation in each case. To determine the market potential, it is useful to conduct need assessment or demand survey before programme formulation. Motivational intervention may be needed for initiating growth and development of an enterprise.

Training in entrepreneurship development needs to include support for — (a) entrepreneurship orientation and awareness, (b) development of competencies

(knowledge, skills and attitudes) necessary to recognise a market opportunity and organise resources to meet it, and (c) improvement of business performance for growth and competitiveness. Motivation, besides increasing need for achievement of potential entrepreneurs, also helps them develop coping ability, tolerance to ambiguity and influencing capability.

The National Institute for Entrepreneurship and Small Business Development is a premier organisation of the Ministry of Skill Development and Entrepreneurship, Government of India, engaged in training, consultancy and research to promote entrepreneurship and skill development. The major activities of the Institute include training of trainers, management development programmes, entrepreneurship-cum-skill development programmes, entrepreneurship development programmes and cluster intervention.

SESSION 1: ENTREPRENEURSHIP AND ENTREPRENEUR

The word 'entrepreneur' is derived from the French word *entreprendre*, which means 'to undertake'. Cole defines entrepreneurship as, "A purposeful activity to initiate, maintain and aggrandise profit-oriented business."

Stevenson and Jarillo define entrepreneurship as: "The process by which individuals pursue opportunities without regard to the resources they currently control." Entrepreneurship can, thus, be defined, as "an economic process, where an idea is generated or an opportunity is created, refined, developed and implemented, while being exposed to uncertainty to realise a profit by effective utilisation of resources".

Economists define an entrepreneur as someone, who brings in resources, labour, material and other assets into profit making combinations.

Psychologists define an entrepreneur as a person, who is, typically, driven by a psychological force, which creates a desire to obtain or attain something.

Sociologists define an entrepreneur as a person, whose actions would determine social status and contribute to societal development.

Management gurus define an entrepreneur as a person, who has a vision and generates an action plan to achieve it.

Characteristics of entrepreneurship

On the basis of the above mentioned definitions, the following are some of the characteristics of entrepreneurship.

- It is an economic activity done to create, develop and maintain a profit-oriented organisation.
- It begins with identifying an opportunity as a potential to sell and make profit in the market.
- It deals with optimisation in utilisation of resources.
- It is the ability of an enterprise and an entrepreneur to take risks.

Entrepreneurship — art and science

Entrepreneurship is considered to be both an art and a science. For a subject to be considered as science, it needs to have a stepwise progression substantiated by valid proof like chemistry or physics. There are steps that need to be followed to attain a specific result. On the other hand, some subjects are categorised as art, where no specific way to attain a result is required and the skill of using the subject matter is of prime importance. An example of art is music. A musician can play music notes in any combination to create soothing and soulful music. Entrepreneurship is the perfect combination of art and science as it requires specific progression and procedures to be followed and also the skill to digress when required, and yet make the entire activity profitable and growth oriented.

An entrepreneur is someone, who has the capability to start an organisation by organising various resources required to make an opportunity purposeful. Entrepreneurs are not necessarily motivated by profit but may regard it as a standard for measuring achievement or success.

Qualities of a successful entrepreneur

NOTES

Let us now consider the qualities that make an entrepreneur successful. There may be many qualities needed to successfully run an enterprise. However, the following qualities are considered important.

- (a) **Initiative:** In the world of business, opportunities come and go. An entrepreneur must be able to initiate action and take advantage of an opportunity. Once a person misses out on an opportunity, it may not come again. Therefore, taking initiative on the part of the entrepreneur is a must.
- (b) **Willingness to take risks:** In any business, there is an element of risk involved. It implies that it is not necessary that every business shall earn a profit. This deters individuals to take up risks and start a business. However, an entrepreneur always volunteers to take risks to run a business and be successful.
- (c) **Ability to learn from experience:** An entrepreneur may make mistakes. However, once an error is committed, it must be tried that it is not repeated as it may lead to heavy losses. Therefore, the person must have the ability to learn from experience.
- (d) **Motivation:** It is necessary for success in every walk of life. Once you get motivated to do something, you will not rest until you complete it. For example, sometimes, you become so intrested in reading a story or magazine that you do not sleep until you complete it. This kind of interest in work comes through motivation. It is an essential quality to become a successful entrepreneur.
- (e) **Self-confidence:** For achieving success in life, a person needs to have confidence in oneself. Someone, who lacks confidence, may not be able to achieve much in life or inspire others to work. Self-confidence is reflected in courage, enthusiasm and ability to lead. Therefore, a successful entrepreneur must have self-confidence.

(f) Hard work: There is no substitute for hard work in life. While running a business, one problem or the other may arise every day. The entrepreneur has to be vigilant so as to identify the problems and solve them as early as possible. This requires hard work on the part of the entrepreneur. The person cannot afford to say: “The office hours are over now and I will not work any longer.” In some situations, the person may even have to work for the whole night. Thus, hard work is the secret of success for an entrepreneur.

(g) Decision making ability: In running an enterprise, an entrepreneur has to take a number of decisions. Therefore, the person must be capable of making suitable and timely decisions. In the present world, things move very fast. If an entrepreneur does not have the ability to make suitable and timely decisions, the person may miss out on an opportunity and incur losses.

Type of entrepreneurs

There are many type of entrepreneurs, which include the following.

Service entrepreneurs

These entrepreneurs either create a new market for their services or provide a service in an existing market. They spot an idea and convert it into a service, which is unprecedented or not available in the market. It is irrespective of the nature and size of operations but is essentially a service.

Business entrepreneurs

These are entrepreneurs, who undertake business and trading activities and are not concerned with the manufacturing work. A business entrepreneur identifies the potential of a product in a market. From that point onwards, the business and trading entrepreneur is responsible for stimulating demand for the product. The product may be existent in a foreign market but the person is able to stimulate demand for the same in local market.

Industrial entrepreneurs

An industrial entrepreneur is, essentially, a manufacturer, who identifies the needs of customers and creates products or services to serve them. Such an entrepreneur is product oriented, who starts through an industrial unit to create a product like electronic industry, textile unit, machine tools, manufacturing unit, etc.

Agricultural entrepreneurs

Agriculture has always been considered as a low-yielding entrepreneurship. Agriculturists have now introduced new and innovative technology to maximise the yield, giving birth to agriculture entrepreneurship.

Technical entrepreneurs

The Industrial Revolution gave birth to technical entrepreneurs, who use their technical expertise to create and offer machines, tools and methods. They constantly innovate to make industrial processes seamless and efficient. Technical entrepreneurs use their technical knowledge and skills to innovate.

Non-technical entrepreneurs

These entrepreneurs use their expertise in providing services to create a market for technical entrepreneurs. Their expertise is in non-technical aspects of a product or service, i.e., they are not concerned with the manufacturing process but have more to do with before and after the manufacturing process.

Professional entrepreneurs

Such an entrepreneur starts a business, nurtures it and makes it reach a point of self-sustenance. Once the project reaches that point, the entrepreneur sells the business and starts a new one, and then, follows the same cycle.

IT entrepreneurs

People who take up entrepreneurship in the field of Information Technology (IT) are called IT entrepreneurs.

The difference between IT entrepreneurs and technical entrepreneurs is that the latter work in the field of electronics, mechanical devices or even civil works, while IT entrepreneurs are confined to innovation in the field of Information Technology.

Women entrepreneurs

As the name suggests, when women take up entrepreneurship, they are called women entrepreneurs. A number of women entrepreneurs are taking initiatives in starting entrepreneurial activities and many of them have even made it to the top.

Social entrepreneurs

Individuals, who focus on developing solutions that benefit the society, are called social entrepreneurs. They develop, fund and implement solutions that are directed towards society, culture and environment. The term 'social innovator' is used interchangeably with social entrepreneurs.

Family business entrepreneurs

When a family or an individual runs a business successfully and passes it on to the next generation, then such an entrepreneur is, generally, termed as family business entrepreneur. The person, who is handed over the business or the functioning of an enterprise, is not the first generation entrepreneur. The person carries out all entrepreneurial activities as inherited in the same manner or introduces certain technological advancements to the existing way and method of the family business.

First generation entrepreneurs

First generation entrepreneurs are those who do not have any entrepreneurship background. They can be of different age groups and backgrounds. An individual, who starts at the age of 50 years without any entrepreneurship background, is also a first generation entrepreneur.



and someone else, who starts at the age of 17 years, is also a first generation entrepreneur.

Roles and functions of an entrepreneur

Some of the major functions performed by an entrepreneur are as follows.

- (a) Identifying entrepreneurial opportunity:** There are many opportunities in the world of business. These are based on human needs like food, fashion, education, etc., which are constantly changing. These opportunities are not realised by the general public. But an entrepreneur senses the opportunities faster than others. The entrepreneur, therefore, has to keep one's eyes and ears open at all times. A person, who wants to become an entrepreneur, requires imagination, creativity and innovativeness.
- (b) Turning ideas into action:** Entrepreneurs must be capable of turning ideas into reality. They should be able to collect information regarding ideas, products and practices to meet the market demand.
- (c) Feasibility study:** Entrepreneurs conduct studies to assess the market feasibility of a proposed product or service. They anticipate problems and assess quantity, quality, cost and sources of inputs required to run the enterprise. Such a blueprint of all activities is termed as a 'business plan' or 'project report'.
- (d) Resourcing:** An entrepreneur needs various resources in terms of money, machine, raw material and workforce to run an enterprise successfully. An essential function of an entrepreneur is to ensure the timely availability of all these resources.
- (e) Setting up an enterprise:** For setting up an enterprise, the entrepreneur may need to fulfil some legal formalities. The person must also try to find a suitable location, design the premises, install machinery and do many other works.

- (f) Managing the enterprise:** One of the important functions of an entrepreneur is to run the enterprise. The person has to manage the workforce, material, finance and organise the production of goods and services. The person has to market each product and service, after ensuring appropriate returns (profits) of the investment. Only a well-managed organisation yields the desired results.
- (g) Growth and development:** Once the enterprise achieves the desired results, the entrepreneur has to explore another higher goal for its growth and development. The person is not satisfied only with achieving a set goal but constantly strives for achieving excellence.

What motivates an entrepreneur?

Every human has a nature to create and pro-create, and to dream and work to fulfill those dreams. But not every human is able to handle failures. An entrepreneur, on the other hand, has the potential and willingness to overcome every hurdle that comes in way of the person's entrepreneurial endeavours. The person finds out ways and means to pursue one's dreams and fulfil the goals.

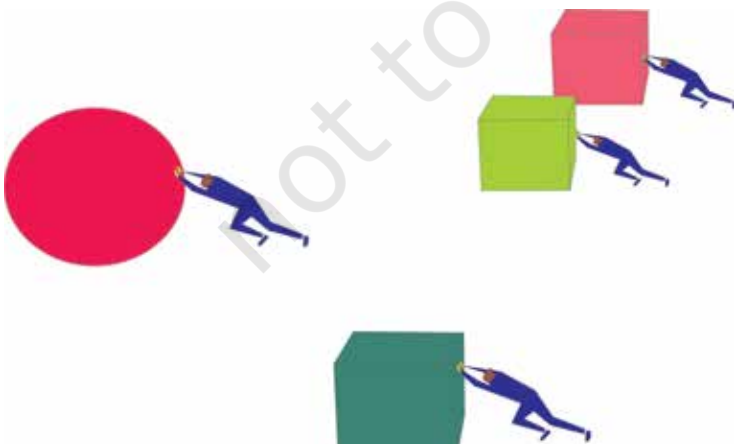
Following are some of the qualities that motivate an entrepreneur.

Standard of excellence

An entrepreneur constantly sets high standards and strives to attain the standard of excellence by working hard and showing innovativeness.

Uniqueness

For an entrepreneur, one of the most important qualities is to remain unique in everything the person does and the way it is done.



Focus on long-term goals

Long-term goals are those that are distant in terms of time period. An entrepreneur focusses more on what is to be achieved in distant future rather than in near future. The person will plan and work patiently to achieve the long-term goals.

Need to influence

The entrepreneur perceives one's ideas as revolutionary and expects them to influence the world in a substantial way. For most entrepreneurs, their ideas have impacted the world and some have completely changed the look of the world.

A wage employed person is someone, who works for an individual or organisation and gets paid for the same. An entrepreneur is a self-employed person, who strives to make the business better by taking risks and trying new ideas.

Entrepreneurship is the act of setting up and running a business, and taking risks in order to earn profits.

Nutan always had a passion for cooking. As a child, she had an accident and became wheelchair bound. It was a difficult situation. But it did not stop her from pursuing her dreams. Nutan got an internship in her neighbour's restaurant and learnt to work in the kitchen. Two years after working there, she decided to start a *dabba* (tiffin) service. She would prepare and send lunch to 100 people in an office building nearby. Eventually, she introduced a menu from where people could choose what food they wanted to have instead of everyone getting the same food. Here are some things you would have learnt from Nutan's story.

1. When she was working in her neighbour's restaurant, she was a wage employed person because she was working for someone.
2. She set up her food business. She was an entrepreneur as she was taking a risk by trying new ideas and introducing a menu.
3. Where there is a will, there is a way! We can do anything, if we decide.



Identifying opportunities and risk taking



A key question faced by budding entrepreneurs is finding the business opportunity that is right for them. Should the new venture focus on a new product or service? Should the venture select an existing product or service from one market and offer it in another, where it may not be available?

Some ways by which aspiring entrepreneurs can identify new business opportunities and evaluate their potential and risks are as follows.

- **Community concerns:** Look for issues that concern your community. Sometimes, starting locally can reap huge benefits. Identify the inefficiencies, analyse how an idea can help and evaluate the risks involved.
- **Personal experiences:** Many powerful world changing ideas come from the experiences and challenges an entrepreneur faces in life. If you aspire to become an entrepreneur, you must listen to the personal stories of successful entrepreneurs and draw inspiration. Their experiences may teach you powerful lessons in entrepreneurship and give an insight into some business strategies that you may adopt to become successful.
- **Research with others:** Speak to like-minded people, get involved through social groups and join local startup groups. Many a time, discussion with others opens various doors of opportunities. It also helps to learn the nuances of business.

For an entrepreneur, it is all about spotting the right opportunity and taking the leap of faith. Mark Zuckerberg thought about a simple idea of connecting with his college friends through Internet. His simple idea sparked the 'social movement', and today, almost all of us are connected through 'Facebook'.



Startups

A startup is a company that is in the first stage of its operations. A startup and a traditional business

venture are different, most notably for the way they think about growth. A startup is often financed by the founders until the business gets off the ground, and it gets outside finance or investments.

We hear a lot about startups being founded these days. It can be in the field of technology, health care, food, virtual reality, etc. Let us understand more about startups.

- Startups can be started with minimum investment. Most startups thrive on an idea that involve technology or offer technology-driven solutions. For example, a lot of startups have started online food delivery. With the help of a robust app, they partner with food service providers or restaurants, and help in the home delivery of food.
- Startups seek financial investment differently than most small businesses. They rely on capital that comes via angel investors or venture capital firms, while small business operations rely on loans and grants. A lot of Indian startups, too, have received funding from global investors.
- Startups come up with an innovative idea. At the same time, they like to get guidance and mentoring from an expert. Most people, who create startups, join various groups at local and global level for continued support by expert mentors and investors. 'Startup India', a flagship initiative of the Government of India, is intended to build an ecosystem for the growth of startup business. Startup policies have been formulated by the States. Under this scheme, new startups in India can avail regulatory and tax benefits, capital gain exemption, as well as, access to government funding, if they fulfil the criteria. (Website: <http://startupindia.in>).

Activity

Can you think of any startup around you? Have you read about any startup in newspapers? Discuss and list the names of three startups.



Practical Exercise

Activity 1

Group discussion

The topic for discussion is — ‘An entrepreneur is not born but created’.

Material required

Notebook, pen, etc.

Procedure

- Divide the class into two groups.
- Each group brainstorms and states points — one for ‘an entrepreneur is born’ and the other for ‘an entrepreneur is created’.

Activity 2

Group practice

Entrepreneurship quiz

Material required

Notebook, pen, etc.

Procedure

In this activity, we will identify and differentiate between entrepreneurs and wage employed people.

Instructions

1. Each row in the class shall be a group. Thus, we shall have four groups in the class.
2. Each group shall assign one person to be the ‘buzzer’ person. You must have seen game shows, where the person who wants to give an answer presses a button, and a loud beep sound is produced. That is a buzzer. We do not have a buzzer but we have benches! So, the ‘buzzer’ person from a group shall tap the bench if the person’s group knows the answer.
3. The teacher will speak out aloud various professions. Each group must guess if that person is an entrepreneur or a wage employed person.
4. Discuss the difference between an entrepreneur and a wage employed person with the group.
5. Here are the situations.
 - (a) Rama is a vegetable seller, who sells only organic vegetables.
 - (b) Suresh runs a food delivery business that delivers food between 12 noon and 5 am.
 - (c) Sahida is a manager in a software company.
 - (d) John is a school teacher in a village.
 - (e) Gurdeep has a yoga centre that conducts classes for senior citizens.

Check Your Progress

A. Multiple choice questions

1. Salman tries new ideas as a tailor in a garment factory. Salman is a/an _____.
(a) entrepreneur
(b) wage employed person
(c) labourer
(d) unskilled worker
2. Prashant works for Surabhi, who is a businesswoman. Prashant is an _____.
(a) entrepreneur
(b) wage employed person
(c) skilled worker
(d) businessman
3. Ridhi owns a construction company and takes risky decisions in her work everyday. Ridhi is an _____.
(a) entrepreneur
(b) wage employed person

B. Short answer question

1. Name an entrepreneur you admire and what do you admire about the person.

What have you learnt?

After completing this Session, you will be able to:

- explain the qualities of an entrepreneur.
- what is entrepreneurship.

SESSION 2: BARRIERS TO ENTREPRENEURSHIP

You must have watched a 100m hurdle race for women or 110m hurdle race for men in school or stadium. Some of them were obstacle races, in which there would be hurdles — you would need to jump over to get to the end line and if you ran fast enough, you would win.

A business venture is a lot like hurdle race. It, usually, involves risks. A risk is any situation, which involves danger.

So, while running the race as an entrepreneur, many hurdles, such as financial constraints may come in way. These things can stop the person from achieving success. These are called 'barriers'. One day while going to school, a tree falls on road. It stops



all vehicles. It is a barrier that is stopping you from reaching school on time.

What do you think can be the barriers that entrepreneurs may face while running their ventures? Talk to some entrepreneurs in your area and find out. After having spoken with the entrepreneurs, you would have realised that they face a lot of barriers on their path to success. Whether it is lack of knowledge or lack of funding, there are various barriers that can prevent one from pursuing one's passion for entrepreneurship. Here are some of the most common barriers.



Environmental barriers

One of the biggest barriers that entrepreneurs face is environmental factors. Environmental factors can be many. But the most common ones include the following.

- Lack of adequate resources or raw material
- Non-availability of skilled labour
- Lack of requisite machinery and other infrastructure
- Unavailability of monetary resources on time

These barriers can be easily overcome by studying the market well enough before taking a decision about the venture. Research, market surveys and mentor guidance can help overcome such barriers.

The Indian Government has come up with various schemes to help small-scale entrepreneurs gain capital. Some of these are:

- Government *Mudra Yojana* — <https://mudralsans.in/>
- Credit Guarantee Scheme — <https://www.cgtnse.in/>
- Stand-Up India Scheme — <https://www.standupmitra.in/>

No or faulty business plan

“A goal without a plan is just a wish.”

Every entrepreneur wants a successful business. But if a person does not make an action plan, it may lead

to a chaotic situation. Having a plan to reach the goal helps the person in knowing one's role in running a successful business and pushes everyone associated with it to work harder.

Personal barriers

How long will the business last? How much profit will it make? Will my customers like my product? Will I have enough money to support my family? These are the questions that might go through an entrepreneur's mind before the person actually starts a business venture. Establishing any new venture is a risk because there is always a fear of what may go wrong. Secondly, finding a suitable team is also a tedious job. A team of careless and non-suitable workers may cause damage to a business.

Self-doubt

It is easy to get discouraged when something goes wrong in a business. One starts doubting oneself and may even feel like giving up. Self-doubt comes when we do not have confidence in ourselves and our abilities.

One of the best ways to deal with self-doubt is to work towards one's goals. When we lack motivation, just looking at our goals and knowing that the tasks we are doing today are contributing to our long-term goals help us feel better. Having family and friends, who know our goals and support us when we are doubting ourselves, also help.

We are all scared of failing. We put in a lot of effort into our idea and give it our best to make it happen. Believing in ourselves is the first step towards crushing the fear of failure.

Forming a team and teamwork

Finding suitable people and training them to put in their best for the business is a tedious and difficult exercise. As an entrepreneur, one must find people, who think and feel like the rest of the team. When new people fit into the culture of the team, work can happen better and faster.



Practical Exercise

Activity 1

Entrepreneur interview

Material required

Notebook, pen, etc.

Procedure

In this activity, we will speak to an entrepreneur about the problems the person faces in business.

Instructions

1. Find an entrepreneur in your area.
2. Ask questions, such as how the person got the idea of starting the business and “what were the major difficulties that the person faced.
3. Note down the answers in your notebook.

Activity 2

Fishbowl of fears

Material required

Notebook, pen, etc.

Procedure

In this activity, we will talk about what we fear about entrepreneurship.

Instructions

1. We have learnt about the barriers that entrepreneurs face. Now, each one of us shall think about what we fear might be the biggest barrier for us when we start our business venture.
2. Sit in a circle.
3. Take a chit of paper and write down what barrier might stop you when you start a venture. Do not write your name on the chit.
4. Put all chits in the centre of the circle.
5. Each person will pick up a chit and read someone's fear. Then, the class will spend two minutes, and try to find out solutions for that person's fear. If the person wants to reveal one's name at this point, one can do so.
6. It is difficult to talk about one's fears in front of everyone. So, all students must listen to each other and extend support. They must not laugh when someone is sharing one's story.

Check Your Progress

NOTES

A. Match the situations in the columns to the meaning of the word.

Situations	Word
(a) Gauri has started a fashion designing store, where she sells clothes.	(i) Barrier
(b) Akshay wants to start more classes in his school but is finding it difficult to hire teachers.	(ii) Risk
(c) Shubham has a business of selling groceries. He wants to open a store that sells everything from clothes to shoes to bags, along with groceries.	(iii) Venture

B. Multiple choice questions

Identify and put a tick mark (✓) against the type of barrier in each situation.

- Mary believes that she will not have the ability to work with a team when she starts her business. The barrier she is facing is _____.
 - getting capital
 - self-doubt
 - risk taking
- Sayed knows what business he wants to do but does not know what steps he has to take to get it running. The barrier stopping him is _____.
 - building the right team
 - lack of plan
 - risk taking
- Harish has a rug business in India. He wants to start exporting rugs to Canada but does not know if they would sell there. The barrier he is facing is _____.
 - self-doubt
 - lack of plan
 - selecting the right business idea

What have you learnt?

After completing this Session, you will be able to:

- identify barriers and fears related to becoming an entrepreneur.

SESSION 3: ENTREPRENEURIAL ATTITUDES

Entrepreneurs think and act differently from people who are wage employed. But how are they different? Let's read Bitti's story and understand.

Bitti is from the city of Bareilly in Uttar Pradesh. She attends her cousin's wedding but finds it very boring because nobody is dancing. She starts talking to people to find out the problem. Older uncles and aunties tell her that other people would judge them if they dance. Young people tell her that the DJ is not playing the latest music. After attending five more weddings, she realises that this is a problem that a lot of people face at weddings. She sees a business opportunity here.

Bitti, then, starts her wedding entertainment company. The company has two parts — a dance academy and a music business. The dance academy holds dance classes for children in the morning and for people above the age of 50 years in the evening. For the music business, she hires young people in the age group of 16–30 years to research on the latest popular music. At first, she finds it hard because she has no prior experience of running a business or working with a group of people so different from each other. But that does not stop her from putting in efforts into the business.

What did Bitti do or think differently from someone else? Discuss with your partner and write it in your notebook.

An attitude is a way of thinking or feeling about something. It can be positive or negative, good or bad. We shall learn about positive attitudes of entrepreneurs.

The attitude an entrepreneur has is different from that of a wage employed person. A wage employed person has to do one's job and not worry about the company. But the entrepreneur thinks and acts differently. The person not only thinks about one's work but also about the work of one's employees and the work required for the growth of the company.

After reading Bitti's story, the attitudes that make a successful entrepreneur are given in Figure 4.1.

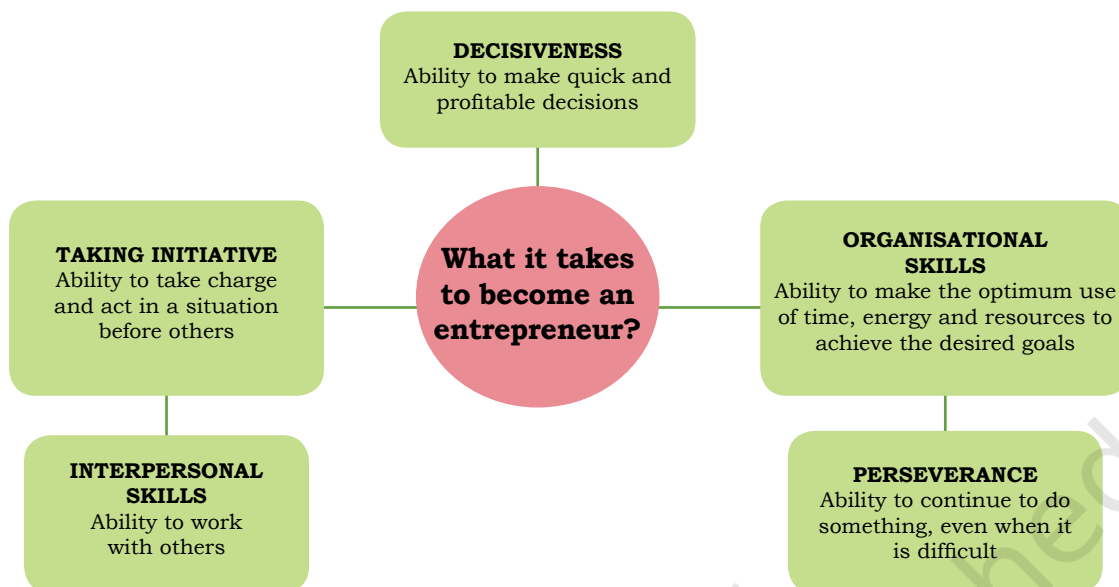


Figure 4.1: Attitudes of an entrepreneur

Check Your Progress

A. Multiple choice questions

1. The ability to continue to do something, even when it is difficult is called _____.
(a) initiative
(b) organisational skills
(c) perseverance
2. The ability to act in a situation before others do is _____.
(a) interpersonal skills
(b) initiative
(c) perseverance
3. The ability to work with others is _____.
(a) organisational skills
(b) interpersonal skills
(c) initiative

B. Short answer questions

1. What do you understand by attitude?
2. What do you understand by interpersonal skills? Share an example where you displayed interpersonal skills.

C. Match Bitti's actions from the attitudes we have learnt that an entrepreneur need to possess. Write them in the table given below.

Attitudes an entrepreneur need to possess	Bitti's actions
Decisiveness	She decides to start a dance academy after seeing a need and talking to people about it.
Initiative	
Interpersonal skills	
Perseverance	
Organisational skills	

What have you learnt?

After completing this Session, you will be able to:

- identify the attitudes that make an entrepreneur successful.

SESSION 4: ENTREPRENEURIAL COMPETENCIES

In the previous Session, we learnt about the attitudes that an entrepreneur need to possess to become successful. Here, we shall learn about the competencies required by a person to build entrepreneurial attitude. Competency is the ability to do something well. Figure 4.2 shows the attitudes and competencies required to become a successful entrepreneur.

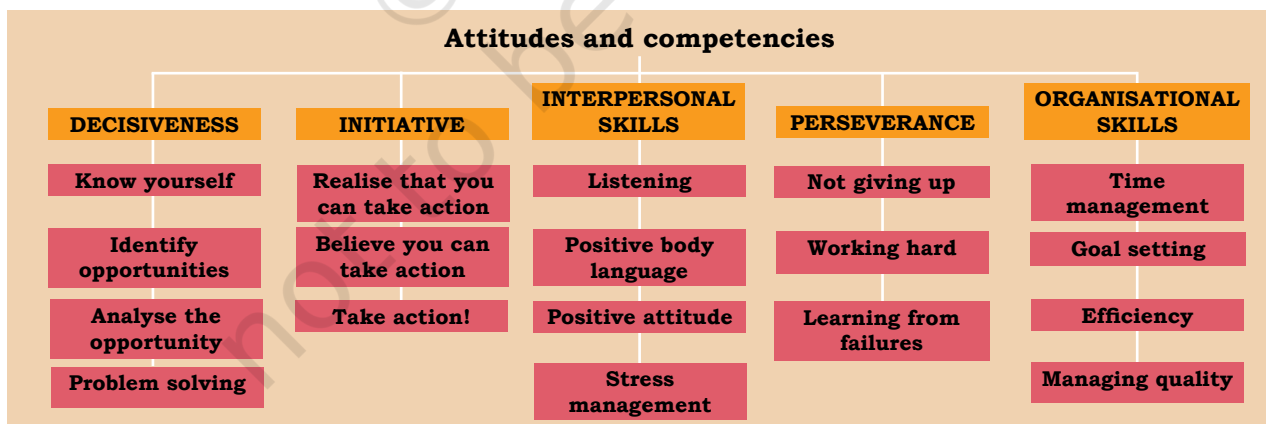


Figure 4.2: Attitudes and competencies to become a successful entrepreneur

The journey to understand our competencies first starts with understanding who we are. We grow and change every single day. We understand what we like and what

we do not. We make mistakes and learn from them. It is important to stop and think about how we have changed as people over the years.

Sometimes while thinking about our life, we might judge ourselves too much. We do not like it when we make mistakes and think that we cannot do something because we have made a mistake. At those times, it is important to remember to see ourselves from the point of view of people around us. They may have positive things to say about us.

Let us learn about the entrepreneurial attitudes through different exercises.

Decisiveness

Decisiveness is the ability to make profitable and quick decisions. How does a person become decisive as an entrepreneur?

Decisiveness becomes the most important attribute while setting up a business venture. It is about identifying an opportunity and acting on it. An opportunity is a chance to do something, generally, the right time or moment to do something.

Decisiveness can be developed through the following process as shown in Figure 4.3.

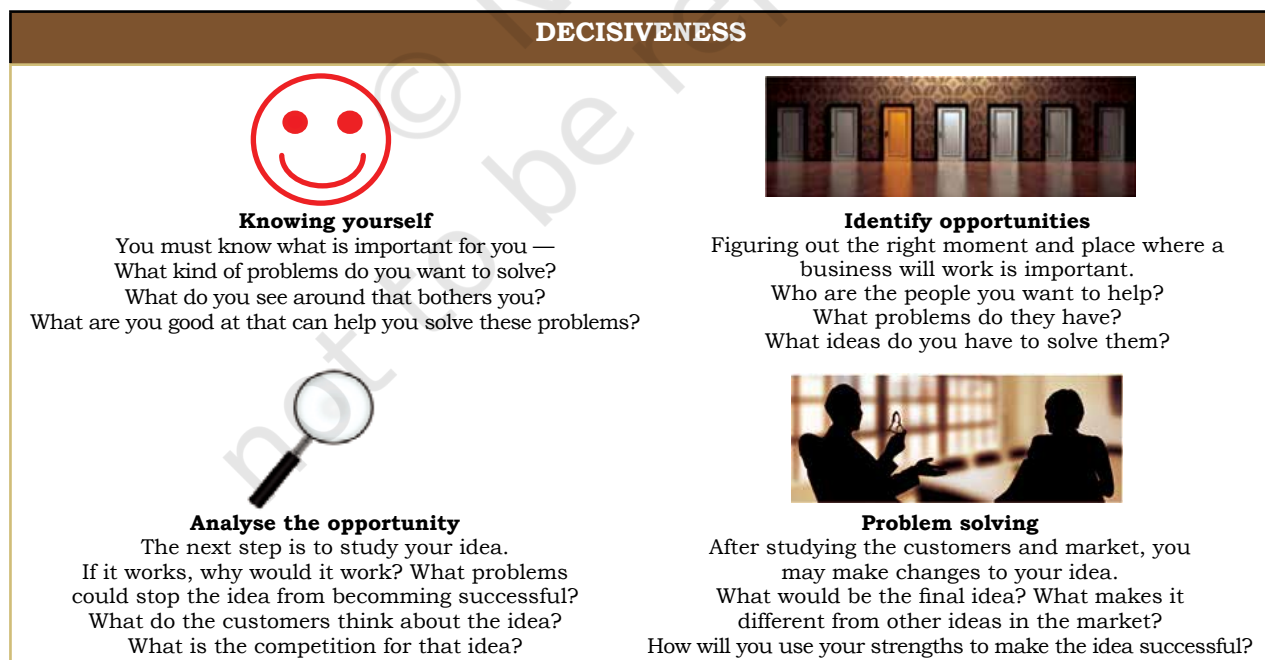


Figure 4.3: Solving the decisiveness dilemma

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Let us look at Ankur's entrepreneurial venture and try to understand his decisiveness.

Ankur manufactures and sells towels in his village at Dharamkot, Himachal Pradesh. For almost a year, his towels would not get sold in his village. Disappointed, he was about to shut down the business. That is when someone suggested that he sell the towels in a city. He showed some samples to people in Delhi. He realised that the quality of towels and the price at which he was producing was better suited for a city. The people in his village found his products expensive. So, he started producing softer towels for the city and cheaper ones for his village. His customers in both the places were happy.

Can you analyse Ankur's actions on four aspects of decisiveness? Give an explanation for each aspect.

Example: Identifying opportunity — Ankur realised that he could sell the towels in the city, as well as, his village.

Initiative

Initiative is the ability to take charge and act in a situation before others. Once you have decided what you want to do, the next step is taking action. There are times when we recognise what action we have to take but do not take it because we think we cannot do it. In such times, it is important to reach out to people we are working with to help us think about ideas and motivate us to believe in our abilities.



Figure 4.4: Taking initiative

Let us read story about Elton, who liked cutting and styling people's hair.

Elton was always interested in hairstyling. He knew the latest international styles and would keep trying them on his friends. But his family wanted him to work in a software company. After years of struggling with what to do, Elton spoke to his friends. They encouraged him and made him realise that he should take charge as it was his life. He gathered courage and spoke to his family. He explained that he had the talent to style hair and the skills to run an entrepreneurial venture because of what he had learnt in school and at home about business. His family was finally convinced and helped him set up a salon. He is now well-known for his skills in and around his town.

Discuss with your partner how Elton took the initiative to start his venture. List the steps he had to take to set it up.

Interpersonal skills

Interpersonal means dealing with relationships. It is between two or more persons. Interpersonal skills, thus, mean the competencies required to work with other people.

In our everyday life, we are always talking to people and working with them. Whether it is riding a bus or sharing lunch in class, we are constantly interacting with others. This is true for an entrepreneur as well.

Entrepreneurs work with people from different walks of life. They might work with them because of their talent and hard work. In such a case, the kind of people who work in a team might be different. They might look different, talk different and believe in different things. In such a case, it becomes important for an entrepreneur, as well as, every individual of the team to respect each other and their differences.

Therefore, if the entrepreneur wants one's business venture to grow and do better, the person has to work with a number of people. Thus, it becomes important that we learn how to interact with people. Some ways to do that are as follows.





Listening

It is important to listen when someone talks. When someone shares something, it is, generally, because the person might have thought about it or it is how one feels. Listening with interest to what someone is saying helps build trust with the person.

Body language

How would you feel if someone had a frown on the face, hands crossed and leaning back in the chair while talking? If you cannot picturise it, tell someone in your class to act it out and you shall know.

Our facial expressions, gestures and postures are important while working with people. While listening, if you show that you are interested in talking to the person with a smile and leaning forward in the chair, the person is likely to feel comfortable and talk more.

Positive attitude

Having a positive attitude, generally, implies being optimistic about situations, interactions and oneself. People with a positive attitude are hopeful and see the best even in difficult situations. However, if you have negative feelings, it is good to talk about it with someone you trust and find out why you are feeling like that.

Having a positive attitude is important while receiving and giving feedback. Feedback is giving information or criticism to someone to say what can be done to improve something. Feedback is important in the communication process. Without feedback no communication is complete. Therefore, during a feedback conversation, it is important to speak in a positive manner. One could start by talking about what the person is doing well, and then, mention what one can do better. In such a case, there are chances that the other person will listen with interest. This applies to you as well. It is important to stay open-minded in a feedback conversation

Stress management

NOTES

Have you ever been unable to sleep the night before an exam because you were anxious about how you would perform? That state of mental pressure or tension is called 'stress'. Sometimes, one experiences stress while working with other people. Because there are people with different personalities working in a team, it can lead to stress for all. In such cases, managing stress becomes important for the health and well-being of everyone. Stress management refers to the different ways to deal with stress, so as to feel healthy, positive and refreshed.

There are many ways people deal with stress. Some of them are as follows.

1. Taking a walk in nature
2. Doing a physical activity like running swimming, etc.
3. Practising deep breathing exercises
4. Practising meditation or yoga

Perseverance

Perseverance is the ability to continue to do something, even when it is difficult. Let us read about it through Ravi's story.

After 20 years of being a successful entrepreneur in Lucknow, Ravi decided to move back to his village in Jaunpur. In his village, he decided to open a clothing store. He thought that because he had gained so much success in the city, he would open the shop with the same clothing style in the village as well.

Initially, some people came to try out his store's clothes but they said that the style did not match what they wanted. They wanted more variety and brighter colours.

Ravi was not disappointed. He decided to learn from the failure. He sold off the old clothes to his friend in a city and bought good quality clothes from a local seller. He also put posters outside his shop, so that people would feel welcome.

After reading Ravi's story, you can understand that perseverance can be built in the following ways.

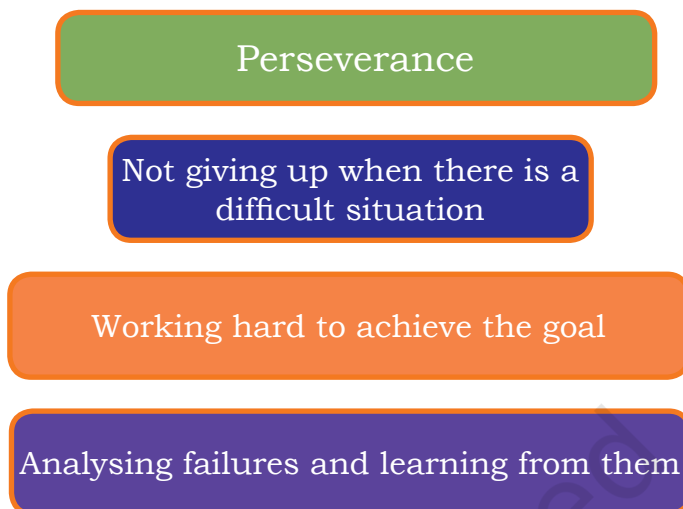
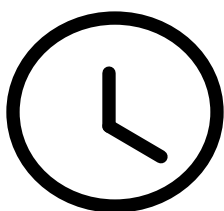


Figure 4.5: Building perseverance

Organisational skills

Organisational skills refer to the ability of making optimal use of one's time, energy and resources to achieve one's goals. Becoming better at these organisational skills would help an entrepreneur become successful. So, let us test these skills for ourselves. Organisational skills include the following.

Time management



Time management is the process of planning and following a conscious control of time spent on specific activities. It is the ability to use one's time well. Time management includes the following.

1. Planning well
2. Setting goals
3. Setting deadlines
4. Giving important work responsibilities to other people in a team
5. Conducting the most important tasks first

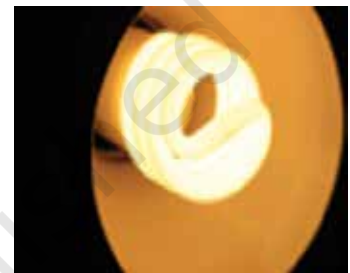
Goal setting

A goal is somewhere we want to reach. It is the aim or result that we want from an activity. Goal makes us work harder, motivates us to complete what we start and achieve the target. It gives us direction, and usually, makes us put in more effort. The biggest difference between the first and second round of a game you played was that you had a goal for a second round. It is that goal, which would have made you work harder and smarter in the second round.



Efficiency

Efficiency is the ability to do things well, successfully, without wasting time. In the second round of the game, you would have utilised the abilities of your team members better. You would have divided work among your team members to be able to achieve the goal. Efficiency can be achieved by using material, i.e., the team's efforts, money and time well.



For example, Sama runs a manufacturing business. When she started, she would do everything — manufacturing, transportation and selling the material door-to-door. Now that her business has expanded, she takes care of the manufacturing section only to ensure that the quality of the material being used is maintained. Her team members take care of the transportation and sale of the manufactured products.

Managing quality

Managing quality in a business means setting and maintaining a standard of excellence for products or services being provided to customers. When the business venture starts growing, maintaining quality becomes the most important part because of the number of products being produced every day. In Ravi's story, even when he bought clothes from a local seller, he did not buy cheap ones. He bought good quality clothes because his customers were important to him.



Practical Exercise

Activity 1

Who am I?

Material required

Notebook, pen, etc.

Procedure

- In this activity, we talk about ourselves with the rest of the class.

Pre-work

On the day before the exercise is conducted, each student has to think about and select one person whom the student thinks knows one well. Once the student has that person in mind, get an object that represents the personality of the person to class. It can be the person's scarf, spectacles, bag, etc.

Instructions

1. Place a chair in the centre of the class.
2. Each person comes in front of the class with the object one has brought.
3. Each person shall use that object and stand behind the chair. They have to act like the other person and introduce themselves to the class. For example, if Reshma chooses her mother as the person who knows her best, she shall wear her *dupatta*, stand behind the chair and introduce Reshma to the class. She shall use these sentences like: "Reshma is my daughter. She is 17 years old. She is a happy child", etc. Every person has two minutes to introduce oneself.

Tip: You are all going on a journey to know each other. So, it becomes important to listen to each other with interest.

Activity 2

Group practice

Business ideas

Material required

Notebook, pen, etc.

Procedure

- In this activity, we shall come up with business ideas to solve the problems of different people.

Instructions

1. Form groups of four.
2. Write about a person or people that you care about and the problems they have.
3. Come up with solutions for those problems and write them in the following table.

Person	
Problem	
Ideas to solve the problem	

4. Now, it is time to talk to your customers. Speak to the people for whom you come up with solutions. Fill in the table given below while speaking to them.

Name of the person	
Do you have this problem?	
Does my idea solve your problem? Do you have suggestions to make my idea better?	
Is there anyone else who is solving your problem? What are they doing?	

5. Compare the ideas you have got from your customer with the original idea. Come up with a new idea that will be helpful to your customer.
6. Write down the strengths you have that will help you to successfully execute this new idea. Write them here.

My strengths



Activity 3

Group practice

Best out of waste

Material required

Notebook, pen, waste items for the activity, etc.

Procedure

- In this activity, let us make useful objects out of waste material.

Pre-work

The students shall work in groups of five. Each group has to bring any five items that have been lying as waste in their homes. These five items should be such that an object can be made out of them.

Instructions

- Divide yourselves into your groups of five. Place the items you have brought on the bench.
- Surprise time! You have to give your items to the team next to you.
- You, now, have 15 minutes to make a useful object out of the material your team has.

NOTES

4. After completion, each team shall get two minutes to present one's object before the class based on the questions given below. Now, share your feelings on successfully making an object.
 - What was your original plan?
 - How did you feel when your items were taken away and a new set of items were given to you?
 - How did you successfully complete the task and make the object?

Activity 4

Pair and share

Let's grow together!

Material required

Notebook, pen, etc.

Procedure

In this activity, we will talk and help each other become better people.

Instructions

1. Find someone in class who knows you well.
2. Now, write down one thing that you see them do well. Then, write down one thing that you feel they can do better.
3. Now, share your opinion with each other, one-by-one.
4. You have five minutes to complete the activity.

Activity 5

Group practice

Snowball fight!

Material required

Notebook, pen, etc.

Procedure

- In this activity, we talk about a stress we have and learn one method to deal with it.

Instructions

1. Close your eyes and spend two minutes just listening to your breath.
2. After opening your eyes, write down a stressful feeling you are having on a piece of paper. It can be about your class, friends, home or anything else.
3. Crumple the sheet into a ball.
4. Now, gather in a circle and throw the paper balls at each other. Laugh loudly — have fun!
5. Now, each person will pick up someone else's ball and read it out to the class.

Let's exercise our interpersonal skills in this activity!

Activity 6

Group practice

JAM — Just a Minute

Material required

Notebook, pen, etc.

Procedure

In this activity, let us see how much can we accomplish in 'Just a minute!'

Instructions

1. For the first round, take a pen and paper, and form groups of five.
2. Prepare a list of things, which are either red or blue in colour. You have one minute for this team activity.
3. Count the number of items you came up with in the first round.
4. For the second round, write a goal on the top of your team's paper. Ensure this number is greater than that of the first round. Example, if you had written 10 items as a team in round 1, try to set a goal of 15 items for round 2.
5. Now, write things, which are yellow or pink, in a minute. Start!
6. What was the difference between round 1 and round 2?
7. Were you able to achieve more in the second round? If yes, why?

Activity 7

My entrepreneurial attitude

Material required

Notebook, pen, etc.

Procedure

- Here, the student and the person's friend shall do an activity on rating themselves for entrepreneurial qualities.

Instructions

1. Rate yourself on the following parameters (1 – lowest, 5 – highest).
 - Interpersonal skills
 - Taking initiative
 - Decision making
 - Hard work
 - Time management
2. Now, with your friend, who knows you well, do the activity. Ask your friend to rate you on each of the above parameters.

NOTES

3. Find your score.
 - 5–11: you have some entrepreneurial attitude. You need to work on your skills.
 - 12–18: you are halfway there! There are some qualities you are very good at but there are also some you have to work on.
 - 19–25: you are entrepreneurial already! Keep working on your qualities.
4. After reading your rating and your friend's rating, discuss it with your teacher.

Check Your Progress

A. Match the situations to the type of attitude that an entrepreneur is showing.

Situation	Attitude
(a) Aamir has been an entrepreneur for 15 years. His business has a culture, where people working with him are free to give feedback on his work and share new ideas for the business.	(i) Decisiveness
(b) Shanaya wants to start a sweet shop. After speaking to some people in her area, she finds out that nobody sells healthy sweets. She decides to make non-fried sweets.	(ii) Taking initiative
(c) Malvika has a book selling business. One day, a shipment of her books gets lost. This creates a lot of problems for her customers. She apologises to them and works hard for two days to get a new shipment by the next day.	(iii) Interpersonal skills
(d) Archana wants to start a 24×7 medical shop in her village. However, she does not know anything about medicines and has doubts about her selling skills. After talking to some people, she realises how important it is. Finally, she works with a pharmacist to set up a medical store.	(iv) Perseverance

B. Short answer question

1. After taking your entrepreneurial report, you know what you are good at and what can be improved upon. How do you think you can improve? Write down three steps that you shall take.